

SENATE BILL 3420
By Crutchfield

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 9,
Part 5, relative to the costs of administrative supervision.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 9, Part 5 is amended by
adding the following appropriately numbered new section:

Section ____

(a) The commissioner shall have the discretion to require any insurer placed
under administrative supervision (as authorized by this part) to pay any and all
appropriate and reasonable costs incurred during the supervision, including, but not
limited to:

(1) the expenses of the commissioner or the commissioner's designated
appointee; and

(2) the compensation of such experts, actuaries and examiners as may be
contracted for by the commissioner or the commissioner's designated appointee
for the purpose of assisting in the supervision. Such compensation shall be fixed
at a reasonable amount commensurate with usual compensation for like services
and shall not exceed one hundred fifty percent (150%) of the compensation and
per diem allowances set forth in the guidelines adopted by the National
Association of Insurance Commissioners.

(b) The costs of an administrative supervision incurred by the commissioner shall be paid into the department for its use and benefit in meeting the expenses and compensation for the persons engaged in such supervision.

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.